[2025] NZTT 5322899

TENANCY TRIBUNAL AT [Event location suppressed]

APPLICANT: [The applicant/s]

Tenant

RESPONDENT: [The respondent/s]

Landlord

TENANCY ADDRESS: [Tenancy address suppressed]

ORDER

1. There are orders for the suppression of the names of both parties.
2. The tenant's application to reduce the fixed-term tenancy is declined.

Reasons:

1. Both parties attended the hearing which was conducted by phone.
2. The tenant, has applied for reduction of the fixed-term tenancy due to end on 25 October 2025.
3. Section 66 of the Residential Tenancies Act 1986 says that the Tribunal may reduce a fixed term tenancy where:
   a. there has been an unforeseen change in the applicant's circumstances; and
   b. there would be severe hardship to the applicant if the term is not reduced; and
   c. the applicant's hardship would be greater than the hardship to the other party if the term is reduced.
4. Where the Tribunal reduces a fixed-term tenancy, it may order the tenant to pay the landlord reasonable compensation for any resulting loss.

5. The tenant says that the unforeseen change in circumstances is the deterioration in her mental health, leading to a loss of income. The landlord says that if the tenancy is continued, the tenant's hardship will not be greater than his if the term is not reduced. This is because he is in the process of reorganising finance for the premises.

6. The issues I must decide are:

   a. Has there been an unforeseen change in [the tenant]'s circumstances?

   b. Would there be severe hardship to her if the term is not reduced from 25 October to 5 September?

   c. If so, would her hardship be greater than [the landlord's]?

   d. If I decide to reduce the fixed term, is there a resulting loss? What is reasonable compensation for the landlord?

7. The onus of proof is on the tenant and the standard of proof is on the balance of probabilities.

Summary of facts and submissions

8. The parties entered into a 12-month fixed term residential tenancy, starting on 25 October 2024 and ending on 25 October 2025.

9. There is no dispute that at the start of the tenancy, the tenant would have liked a longer fixed-term. In WhatsApp messages in June, the tenant asked if they could extend the term of the tenancy. The tenant accepted that in June and July she wanted to extend the tenancy. She emphasised at the hearing that the lack of certainty of whether the tenancy would extend past 25 October had been a source of stress to her.

10. In July there was an exchange of emails regarding alleged damage and repairs to the waste disposal unit.

11. On 1 August 2025 the landlord emailed the tenant to confirm that he would not be extending the lease. He incorrectly gave the tenant 90 days' notice, ending the tenancy on 30 October 2025.

12. On the same day, the tenant acknowledged this and then sent an email asking to leave early, saying that she would be away for all of October in Europe at her brother's wedding. The landlord did not reply.

13. On 3 August the tenant messaged asking if the tenancy could be changed to a periodic tenancy and continue until March 2026.

14. On 9 August 2025, the tenant filed an application with the Tenancy Tribunal for reduction of the fixed term. This was before the landlord's 10 August reply that he did not agree to extend the tenancy.

15. The tenant later advised in statements for the Tribunal that she wants the tenancy to end on 5 September. The tenant said at the hearing that she has secured a new tenancy starting on 6 September.

Has there been an unforeseen change in the tenant's circumstances?

16. [The tenant] says that the unforeseen change in her circumstances is a deterioration of her mental health leading her to take unpaid leave from her employment. She said that in July/August she suffered a severe relapse in her mental health, culminating in a catastrophic nervous breakdown. In another statement, she said that this occurred in June. Her supporting evidence focused on the severe impact on her mental health should she have to continue the tenancy.

17. In her application, the tenant emphasised that her breakdown was because of the actions of the landlord and his family. She is upset that she was accused of vandalism.

18. The landlord did not want to let these allegations go unanswered. I recognise that the relationship between the parties had deteriorated and they have each felt offended by comments made by the other. However, I do not need to decide what was said or whether it was unreasonable. The only issue is whether there has been an unforeseen change in the tenant's circumstances.

19. I add that even if I did decide that the alleged behaviour was established, there is nothing in the information before me that amounts to a breach of any right or obligation under the Residential Tenancies Act that would justify a termination of a tenancy on application by either party.

20. In a letter dated 19 August 2025 the tenant's employer has confirmed that, the tenant was on unpaid leave from 5 August 2025 due to a recent severe mental health episode.

21. The tenant provided a letter from her GP in which it was stated that the tenant has a documented history of some significant named mental health conditions which are currently in relapse.

22. There is no dispute that the tenant has suffered a deterioration in her mental health and as at 27 August had been on unpaid leave for three weeks. I find that there has been an unforeseen change in her circumstances.

Would there be severe hardship to the tenant if the term is not reduced from 25 October to 5 September?

23. [The tenant]'s GP expressed her opinion, that the tenant's present living situation has directly contributed to the deterioration of their mental health. If required to remain in their current tenancy, the tenant would face worsening psychological and physical health.

24. In a letter dated 27 August 2025, the tenant's psychologist has expressed an opinion that "remaining in the current tenancy poses ongoing and unacceptable risks to the tenant's health and wellbeing. The stressors arising from the living situation — including ongoing conflict with the landlord, lack of security around the lease, and feelings of being unsafe in the property — are perpetuating her symptoms and have already led to her taking unpaid leave from employment. Continuing under the current conditions greatly increases the likelihood of hospitalisation, which in turn would have severe personal and social consequences."

25. At the hearing and in further statements filed with the Tribunal, [the tenant] said that a number of factors contributed to the deterioration in her mental health and she listed those. She also said that she was committed to the tenancy. The sudden refusal to extend, and then relapse in her health triggered by the stress of these interactions, created circumstances that were unforeseen and beyond her control.

Discussion

26. Regardless of the reasons for the tenant's current health status, it is her loss of income that is relevant to whether she should be relieved from her contractual obligations. Disagreements with a landlord are stressful, but do not constitute a change in a party's circumstances.

27. It is difficult to reconcile all of the facts in the tenant's narrative. Having suffered a nervous breakdown in July/August,[1] on 3 August the tenant then asked to extend the tenancy to March. This was despite her claims that the relationship with the landlord has meant that her mental health has been affected to the extent that she could not continue living there.

28. Two days later, the tenant went on unpaid leave on Tuesday 5 August. Then on Friday 9 August she applied for a reduction of the fixed-term tenancy on the basis that the tenancy has contributed to her recent breakdown.

29. The tenant's decision to enter into a new tenancy without having been released from this one will no doubt have an impact on her anxiety at present, but that is a matter that was within her own control.

30. On 9 August 2025, when the tenant applied for a reduction of her fixed term, it was 6 days since she had asked the landlord to extend the tenancy and she had been on unpaid leave for 4 only days. Such a loss of income does not amount to severe hardship.

31. By the time of the hearing, she had lost three weeks' income. Her hardship has become more severe. Without an expected date for return to work, the tenant's

[1] Also said to be June.

hardship is significant. The financial hardship for her is the rental obligation of $740 per week in the absence of an income. She has obtained a lease with a lower rental. The hardship is the difference in rent between the two. That amount is unknown. Even if the new rental is half as much, the difference would be about $2,000.

32. The tenant also says that her hardship is not only financial but significant, ongoing, and potentially life-altering.

33. The tenant's supporting health providers are clearly very concerned about her wellbeing. I accept that the tenant has suffered a relapse such that she is unable to work at present. I also accept that she is very unhappy about continuing the tenancy and this has contributed to her mental wellbeing in the last month, but until 1 August when the landlord advised that the fixed term would not be extended, the tenant had wanted to extend the tenancy. This was apparent in WhatsApp communication in June. Her request on 1 August to reduce the term was the first indication that she did not want to stay there. It was then followed by a further request on 3 August to extend the tenancy.

34. I am not persuaded that the hardship to the tenant of continuing to pay the higher rental for a further 7 weeks amounts to severe hardship. Had the remainder of the tenancy term been longer, then such a finding might have been made. In the circumstances presented, the expectation to meet her contractual obligations does not amount to severe hardship warranting a reduction in the fixed-term. The application is declined.

35. There are orders for the suppression of the names of both parties, the landlord's because he has been successful, and the tenant's because of her mental health.

T Baker
2 September 2025

Please read carefully:

Visit justice.govt.nz/tribunals/tenancy/rehearings-appeals for more information on rehearings and appeals.

Rehearings

You can apply for a rehearing if you believe that a substantial wrong or miscarriage of justice has happened. For example:

- you did not get the letter telling you the date of the hearing, **or**
- the adjudicator improperly admitted or rejected evidence, **or**
- new evidence, relating to the original application, has become available.

You must give reasons and evidence to support your application for a rehearing.
A rehearing will not be granted just because you disagree with the decision.
You must apply within five working days of the decision using the Application for Rehearing form: justice.govt.nz/assets/Documents/Forms/TT-Application-for-rehearing.pdf

Right of Appeal

Both the landlord and the tenant can file an appeal. You should file your appeal at the District Court where the original hearing took place. The cost for an appeal is $260. You must apply within 10 working days after the decision is issued using this Appeal to the District Court form: justice.govt.nz/tribunals/tenancy/rehearings-appeals

Grounds for an appeal

You can appeal if you think the decision was wrong, but not because you don't like the decision. For some cases, there'll be no right to appeal. For example, you can't appeal:

- against an interim order
- a final order, or the failure to make an order, where the amount in dispute on appeal is less than $1000
- a final order to undertake work, or the failure to make an order, where the value of the work in dispute on appeal is less than $1000.

Enforcement

Where the Tribunal made an order about money or property this is called a **civil debt**. The Ministry of Justice Collections Team can assist with enforcing civil debt. You can contact the collections team on **0800 233 222** or go to justice.govt.nz/fines/civil-debt for forms and information.

Notice to a party ordered to pay money or vacate premises, etc.

Failure to comply with any order may result in substantial additional costs for enforcement. It may also involve being ordered to appear in the District Court for an examination of your means or seizure of your property.

If you require further help or information regarding this matter, visit tenancy.govt.nz/disputes/enforcing-decisions or phone Tenancy Services on 0800 836 262.

Mēna ka hiahia koe ki ētahi atu awhina, kōrero ranei mo tēnei take, haere ki tenei ipurangi tenancy.govt.nz/disputes/enforcing-decisions, waea atu ki Ratonga Takirua ma runga 0800 836 262 ranei.

A manaomia nisi faamatalaga poo se fesoasoani, e uiga i lau mataupu, asiasi ifo le matou aupega tafailagi: tenancy.govt.nz/disputes/enforcing-decisions, pe fesootai mai le Tenancy Services i le numera 0800 836 262.